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RESOLUTION NO. R-78-16

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF COLTON AMENDING AND RESTATING
RESOLUTION R-03-16 RELATING TO THE
AUTHORIZION OF THE UTILITY DIRCTOR TO ENTER
INTO TRANSACTIONS WITH SHELL TRADING RISK
MANAGEMENT, LLC**

WHEREAS, the City has previously entered into swaps, options, or other financially settled energy derivative transactions ("Transactions") with Shell Energy North America (US), LP ("Shell Energy") and will enter into Transactions with Shell Trading Risk Management, LLC ("STRM"), pursuant to contracts in the form of master swap agreements, Master Agreements on the form approved by the International Swap and Derivatives Association, Inc. ("ISDA"), and other commodity agreements (as the same may be amended and supplemented, collectively, the "Master Swap Agreements") between the City and Shell Energy; and

WHEREAS, on October 20, 2009, the City Council approved an ISDA Master Agreement with Shell Energy North America (US) L.P.; and

WHEREAS, on April 6, 2010, the City Council approved Resolution R-17-10 authorizing the City Manager, or his or her designee to enter into transactions with Shell Energy;

WHEREAS, to reflect and conform to changes in federal commodities laws and Dodd-Frank legislation, Shell Energy has transferred much of its financial ISDA Master Agreement transactions and activity to STRM; and

WHEREAS, on January 19, 2016 the City Council approved Resolution R-03-16 authorizing the Electric Utility Director, or his or her designee to enter into transactions with Shell Trading Risk Management, LLC; and

WHEREAS, the City desires to amend and restate Resolution R-03-16 relating to the Utility Director's authorization to enter into swaps, options, or other settled energy derivative transactions ("Transactions") with Shell Trading Risk Management, LLC ("STRM"), pursuant to contracts in the form of master swap agreements, Master Agreements on the form approved by the International Swap and Derivatives Association, Inc. ("ISDA"), and other commodity agreements (as the same may be amended and supplemented, collectively, the "Master Swap Agreements") between the City and STRM.

1
2 **NOW, THEREFORE, the City Council of the City of Colton does hereby**
3 **resolve the following:**

4 **Section 1.** The City is hereby authorized (i) to enter into Transactions, including
5 but not limited to forwards, futures, swaps, and options, (ii) to enter into Master
6 Swap Agreements governing such transactions and confirmation thereunder
7 designating the terms of specific individual Transactions, and (iii) to the extent
8 necessary or appropriate, to pledge cash, securities, or other property, or to provide
9 letters of credit or other credit support, as support for its obligations with respect to
10 such Transactions.

11 **Section 2.** The Utility Director is authorized and empowered from time to time to
12 negotiate, prepare, execute, and deliver Master Swap Agreements by and on behalf
13 of the City in favor of STRM, in such form and with such terms as the officer
14 executing the same shall approve, such approval and the approval of this City
15 Council to be conclusively evidenced by such officer's execution and delivery
16 thereof.

17 **Section 3.** The Utility Director is authorized and empowered to enter into
18 Transactions pursuant to such Master Swap Agreements or to designate such
19 persons authorized to enter into Transactions.

20 **Section 4.** The Utility Director is also authorized and empowered to designate
21 persons who shall be authorized to issue and accept confirmations of Transactions,
22 from time-to-time, in the ordinary course of the City's business.

23 **Section 5.** The City Clerk shall verify to the adoption of this Resolution and this
24 Resolution shall become effective upon its adoption.

25 **PASSED, APPROVED AND ADOPTED** this 19th day of July 2016.

26 
27 RICHARD A. DELAROSA, Mayor

28 ATTEST:

29 
30 CAROLINA R. PADILLA, City Clerk

1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **CITY OF COLTON**)

4 **CERTIFICATION**

5 **I, CAROLINA R. PADILLA**, City Clerk of the City of Colton, California, do hereby
6 certify that the foregoing is a full, true and correct copy of **RESOLUTION NO. R-78-16**,
7 duly adopted by the City Council of said City, and approved by the Mayor of said City, at its
8 Regular Meeting of said City Council held on the **19th day of July, 2016**, and that it was
9 adopted by the following vote, to wit:

10	AYES:	COUNCILMEMBER	Toro, Jorrin, Navarro, González, Bennett,
11			Suchil and Mayor DeLaRosa
12	NOES:	COUNCILMEMBER	None
13	ABSTAIN:	COUNCILMEMBER	None
14	ABSENT:	COUNCILMEMBER	None
15			

16 **IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal
17 of the City of Colton, California, this _____ day of _____, 20 ____.

18
19
20
21 _____
22 CAROLINA R. PADILLA
23 City Clerk
24 City of Colton

25 (SEAL)
26
27
28